

NAMIBIA SENIOR SECONDARY CERTIFICATE

ECONOMICS ORDINARY LEVEL

4347/2

PAPER 2

2 hours

Marks 80

2020

Additional Materials: Answer Book

INSTRUCTIONS AND INFORMATION TO CANDIDATES

- Write your answers in the Answer Book provided.
- Write your Centre Number, Candidate Number and Name in the spaces on all the work you hand in.
- Write in dark blue or black pen.
- You may use a soft pencil for any rough work, diagrams or graphs.
- Do not use correction fluid.

- Answer **four** questions.

- The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **3** printed pages and **1** blank page.



Republic of Namibia

MINISTRY OF EDUCATION, ARTS AND CULTURE

Answer **four** questions.

- 1** In September 2018, Namwater employees, backed by the Namibia Public Worker's Union, threatened to stage a countrywide strike if demands for salary increments were not met. The company employs more than 600 people.
- (a) Describe what is meant by a *trade union* and name **three** types of trade unions. [6]
- (b) Discuss the main functions of a trade union. [7]
- (c) What negative impacts could trade union activity, such as strikes, have on the Namibian economy? [7]
- [20]**
- 2** The less tight fiscal policy for 2018/19 was welcomed by the central bank and all commercial banks in Namibia when the zero income tax bracket was increased from N\$40 000 to N\$50 000.
- (a) What is meant by a *less tight fiscal policy*? [2]
- (b) Describe the benefits of a progressive tax system. [4]
- (c) Consider likely reasons for the change in the tax bracket as mentioned in the extract. [7]
- (d) Differentiate between the functions of the central bank and a commercial bank. [7]
- [20]**
- 3** According to 2017 statistics, Angola had a total population of 9 310 273 and the population was growing by 3,52% annually. The unemployment rate stood at 20%. The age group from 0 - 14 years were 48% and from 15 - 64 years of age equalled 49%. The age group above 65 years was 3% of the total population and life expectancy at birth was 60,2 years.
- (a) (i) Explain the term *life expectancy*. [2]
- (ii) Outline possible reasons for the low percentage of people above 65 years of age. [4]
- (b) Contrast the expected age structure of the population of a developing country, such as Namibia, with that of a developed country, such as the UK. [7]
- (c) Examine the likely problems that the Angolan government might experience due to the age structure of the population as mentioned in the extract. [7]
- [20]**

- 4** There are over 40 000 multinational enterprises (MNEs) currently operating in the global economy. The top multinational corporations have headquarters in the United States, Western Europe, China, India and Japan. The motives and actions of MNEs are questioned by social welfare, environmental protection groups, labour organisations and government agencies worldwide.
- (a)** Describe the most likely form of ownership of a MNE and outline **five** advantages of such a form of ownership. [6]
 - (b)** Explain why a government might welcome the operations of MNEs in a country. [7]
 - (c)** Determine possible negative effects of MNEs on their host countries. [7]
- [20]**
- 5** Most firms have the main aim of making maximum profit, leading to the creation of external costs. For this reason government intervention is of utmost importance.
- (a)** Describe the meaning of maximum profits and how it is achieved. [3]
 - (b) (i)** Use an example to explain what an external cost is. [3]
 - (ii)** Explain ways in which a government might intervene to control the production of goods and services that create external cost. [7]
 - (c)** Consider the disadvantages to the consumer and the government of a business having profit maximisation as an aim. [7]
- [20]**
- 6** In 2018, the average salary of an English Premier League (EPL) football player was US\$ 6,81 million per year, while the highest paid nurse in the UK received on average US\$ 125 000 annually.
- (a)** Describe how the amount of income might influence a person's choice of occupation and standard of living. [6]
 - (b)** Explain how the concepts of division of labour and specialisation might be applied to the occupations in the extract. [7]
 - (c)** Assess the possible reasons for an EPL football player earning more than a nurse. [7]
- [20]**

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